

**CANTON, VAN BUREN AND SUMPTER  
WATER AND SEWAGE DISPOSAL AUTHORITY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2004**

**POST, SMYTHE, LUTZ & ZIEL LLP**  
*Certified Public Accountants*

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <b>CANTON, VAN BUREN AND SUMPTER WATER &amp; SEWAGE DISPOSAL AUTH</b>	County <b>WAYNE</b>
Audit Date <b>12/31/2004</b>	Opinion Date <b>05/17/2005</b>	Date Accountant Report Submitted to State: <b>05/19/2005</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

**Certified Public Accountant (Firm Name)**

**POST, SMYTHE, LUTZ & ZIEL LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Street Address <b>35110 E. MICHIGAN AVE.</b>	City <b>WAYNE</b>	State <b>MI</b>	ZIP <b>48184</b>
Accountant Signature <i>Ronald H. Traskos CPA</i>			Date <b>05/19/2005</b>

**RONALD H. TRASKOS, C.P.A.**

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority

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**POST, SMYTHE, LUTZ & ZIEL LLP**  
*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT**

May 17, 2005

Canton, Van Buren and Sumpter  
Water and Sewage Disposal Authority  
23480 Sumpter Road  
Belleville, MI 48111

We have audited the accompanying general purpose financial statements of Canton, Van Buren and Sumpter Water and Sewage Disposal Authority, Michigan (the "Authority"), as of and for the year ended December 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

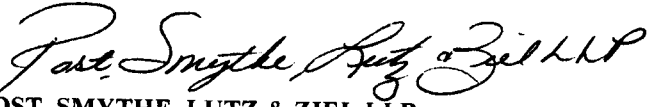
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 17, 2005, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

  
**POST, SMYTHE, LUTZ & ZIEL LLP**  
Certified Public Accountants  
Wayne, Michigan

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
 Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 2004  
With Comparative Totals December 31, 2003

	<u>General Fund Types</u>			<u>Account Group</u>
<u>ASSETS</u>	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>General Long-Term Debt</u>
Current Assets:				
Cash and Cash Equivalents	\$ 855	\$ --	\$ 13,609	\$ --
Deposits	--	48,250	--	--
Amount to be Provided for Long-Term Debt	--	--	--	530,000
Total Assets	<u>\$ 855</u>	<u>\$ 48,250</u>	<u>\$ 13,609</u>	<u>\$ 530,000</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ --	\$ --	\$ 7,303	\$ --
Bonds Payable	--	--	--	530,000
Advances from Other Governmental Units	855	--	--	--
Deferred Revenue	--	48,250	--	--
Total Liabilities	<u>855</u>	<u>48,250</u>	<u>7,303</u>	<u>530,000</u>
Fund Balance	<u>--</u>	<u>--</u>	<u>6,306</u>	<u>--</u>
Total Liabilities and Fund Balance	<u>\$ 855</u>	<u>\$ 48,250</u>	<u>\$ 13,609</u>	<u>\$ 530,000</u>

The accompanying notes are an integral part of this statement.

Totals  
(Memorandum Only)

---

December 31, <u>2004</u>	December 31, <u>2003</u>
\$ 14,464	\$ 14,793
48,250	49,125
<u>530,000</u>	<u>840,000</u>
<u>\$ 592,714</u>	<u>\$ 903,918</u>

\$ 7,303	\$ 7,303
530,000	840,000
855	855
<u>48,250</u>	<u>49,125</u>
<u>586,408</u>	<u>897,283</u>
<u>6,306</u>	<u>6,635</u>
<u>\$ 592,714</u>	<u>\$ 903,918</u>

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Combined Statement of Revenue, Expenditures and Changes in Fund Balance  
All Governmental Types  
For the Year Ended December 31, 2004  
With Comparative Totals for the Year Ended December 31, 2003

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenue:			
Intergovernmental	\$ --	\$ 345,213	\$ --
Interest on Investments	--	--	20
Total Revenue	<u>--</u>	<u>345,213</u>	<u>20</u>
Expenditures:			
Other	--	--	349
Debt Service:			
Bond Principal	--	310,000	--
Bond Interest and Fees	--	35,213	--
Total Expenditures	<u>--</u>	<u>345,213</u>	<u>349</u>
Excess Revenue Over Expenditures	--	--	(329)
Fund Balance, Beginning of Year	<u>--</u>	<u>--</u>	<u>6,635</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,306</u>

The accompanying notes are an integral part of this statement.

Totals  
(Memorandum Only)

December 31, <u>2004</u>	December 31, <u>2003</u>
\$ 345,213	\$ 522,080
20	27
<u>345,233</u>	<u>522,107</u>
349	361
310,000	465,000
<u>35,213</u>	<u>57,080</u>
<u>345,562</u>	<u>522,441</u>
(329)	(334)
<u>6,635</u>	<u>6,969</u>
<u>\$ 6,306</u>	<u>\$ 6,635</u>



Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Combined Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget and Actual  
Debt Service and Capital Projects Funds  
For the Year Ended December 31, 2004

	<u>Debt Service Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenue:			
Intergovernmental	\$ 345,213	\$ 345,213	\$ --
Interest on Investments	--	--	--
Total Revenue	<u>345,213</u>	<u>345,213</u>	<u>--</u>
Expenditures:			
Other	--	--	--
Debt Service:			
Bond Principal	310,000	310,000	--
Bond Interest and Fees	35,213	35,213	--
Total Expenditures	<u>345,213</u>	<u>345,213</u>	<u>--</u>
Excess Revenue Over Expenditures	--	--	--
Fund Balance, Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

Capital Projects Fund			Totals (Memorandum Only)		
<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
\$ --	\$ --	\$ --	\$ 345,213	\$ 345,213	\$ --
--	20	20	--	20	20
--	20	20	345,213	345,233	20
--	349	(349)	--	349	(349)
--	--	--	310,000	310,000	--
--	--	--	35,213	35,213	--
--	349	(349)	345,213	345,562	(349)
--	(329)	(329)	--	(329)	(329)
6,635	6,635	--	6,635	6,635	--
<u>\$ 6,635</u>	<u>\$ 6,306</u>	<u>\$ (329)</u>	<u>\$ 6,635</u>	<u>\$ 6,306</u>	<u>\$ (329)</u>

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Notes to Financial Statements  
December 31, 2004  
(Page 1 of 3)

1. Significant Accounting Policies

*Reporting Entity*

The Canton, Van Buren and Sumpter Water and Sewage Disposal Authority (the "Authority") was organized on June 11, 1974, for the purpose of acquiring, owning, improving and enlarging a water system or sewage disposal system in accordance with Act No. 233, Michigan Public Acts of 1955, as amended.

*Basis of Presentation*

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into various fund types and fund categories as follows:

**Governmental Funds**

General Fund - The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

**Account Group**

General Long-Term Debt Account Group - This account group presents the balance of general obligation long-term debt.

*Basis of Accounting*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the accounting period in which the related liability is incurred, if measurable, except for unmatured interest on general long-term debt.

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Notes to Financial Statements  
December 31, 2004  
(Page 2 of 3)

2. Deposits and Investments

Under State law, the Authority is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury and commercial paper with certain investment grades.

At December 31, 2004, the carrying amount and bank balance of all Authority deposits was \$14,464. The entire bank balance throughout the year was covered by Federal depository insurance.

3. Long-Term Contract Receivable

**Sumpter Section:** On August 31, 1978, and in May 1985 contracts were entered into between the Authority and the Township of Sumpter for the same purpose described above for a period not exceeding forty years. The Township agreed to make contract payments to the Authority equal to the total principal, interest and fees on bonds.

4. Long-Term Bonds Payable

**Sumpter Section:** On December 8, 1978, bonds were sold at par by the Authority totaling \$1,000,000. On October 9, 1985, bonds were sold at par by the Authority totaling \$1,500,000. On September 8, 1992, the Authority and the Township of Sumpter entered into a refunding agreement to refund outstanding bonds of the October 9, 1985 issue. On October 1, 1992, the Authority issued \$1,455,000 bonds with an average interest rate of 5.43% to advance refund \$1,250,000 of outstanding 1985 bonds with an average interest rate of 8.92%. Governmental Accounting Standards Board Statement No. 7, *Advance Refunding Resulting in Defeasance of Debt*, provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of December 31, 2002, the outstanding balances of Sumpter Township Section bonds that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:  
General obligation bonds have been issued through Wayne County for construction of Sumpter Township water mains - Phase IV.

June 1, 1985, Sumpter Section Water  
Supply System Bonds

\$ 150,000

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Notes to Financial Statements  
December 31, 2004  
(Page 3 of 3)

Following is a summary of bond principal maturities and interest requirements:

<u>Year Ending December 31,</u>	<u>Bond Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 35,000	\$ 25,625	\$ 60,625
2006	35,000	23,875	58,875
2007	35,000	22,125	57,125
2008	35,000	20,375	55,375
2009	35,000	18,625	53,625
2010 (and thereafter)	<u>355,000</u>	<u>80,875</u>	<u>435,875</u>
Total	<u>\$ 530,000</u>	<u>\$ 283,793</u>	<u>\$ 721,500</u>

*Change in Long-Term Liabilities*

During the fiscal year ended December 31, 2004, the following change occurred in liabilities reported in the general long-term debt account group:

	<u>Balance at January 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2004</u>
General Obligation Bonds	<u>\$ 840,000</u>	<u>\$ --</u>	<u>\$ (310,000)</u>	<u>\$ 530,000</u>

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
General Fund  
Comparative Balance Sheet  
December 31, 2004 and 2003

	December 31, <u>2004</u>	December 31, <u>2003</u>
<u>ASSETS</u>		
Cash - Checking	<u>\$ 855</u>	<u>\$ 855</u>
<u>LIABILITIES</u>		
Advance from Canton Township	\$ 285	\$ 285
Advance from Charter Township of Van Buren	285	285
Advance from Sumpter Township	<u>285</u>	<u>285</u>
Total Liabilities	<u>\$ 855</u>	<u>\$ 855</u>

The accompanying notes are an integral part of this statement.

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Debt Service Funds  
Combining Balance Sheet  
December 31, 2004  
With Comparative Totals December 31, 2003

			Totals (Memorandum Only)	
	Van Buren Section	Sumpter Section	December 31, 2004	December 31, 2003
<u>ASSETS</u>				
Deposits with Paying Agent	\$ --	\$ 48,250	\$ 48,250	\$ 49,125
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Deferred Revenue	\$ --	\$ 48,250	\$ 48,250	\$ 49,125

The accompanying notes are an integral part of this statement.

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Debt Service Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2004  
With Comparative Totals for the Year Ended December 31, 2003

	Van Buren <u>Section</u>	Sumpter <u>Section</u>
Revenue:		
Intergovernmental Revenue	\$ 282,838	\$ 62,375
Expenditures:		
Bond Principal	275,000	35,000
Bond Interest	7,838	27,375
Total Expenditures	282,838	62,375
Excess of Revenue Over Expenditures	--	--
Fund Balance, Beginning of Year	--	--
Fund Balance, End of Year	\$ --	\$ --

The accompanying notes are an integral part of this statement.



Totals  
(Memorandum Only)

December 31, <u>2004</u>	December 31, <u>2003</u>
\$ 345,213	\$ 522,080
310,000	465,000
<u>35,213</u>	<u>57,080</u>
<u>345,213</u>	<u>522,080</u>
--	--
<u>--</u>	<u>--</u>
<u>\$ --</u>	<u>\$ --</u>

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
 Capital Projects Funds  
 Combining Balance Sheet  
 December 31, 2004  
With Comparative Totals December 31, 2003

	<u>Van Buren Section</u>	<u>Sumpter Section</u>
<u>ASSETS</u>		
Cash - Checking	\$ --	\$ 6,484
Cash - Savings	<u>7,125</u>	<u>--</u>
Total Assets	<u>\$ 7,125</u>	<u>\$ 6,484</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ --	\$ 7,303
Fund Balance	<u>7,125</u>	<u>(819)</u>
Total Liabilities and Fund Balance	<u>\$ 7,125</u>	<u>\$ 6,484</u>

The accompanying notes are an integral part of this statement.

Totals  
(Memorandum Only)

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December 31,  
2004

December 31,  
2003

\$ 6,484  
7,125

\$ 6,833  
7,105

\$ 13,609

\$ 13,938

\$ 7,303  
6,306

\$ 7,303  
6,635

\$ 13,609

\$ 13,938

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
 Capital Projects Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Year Ended December 31, 2004  
With Comparative Totals for the Year Ended December 31, 2003

			Totals (Memorandum Only)	
	Van Buren Section	Sumpter Section	December 31, 2004	December 31, 2003
Revenue:				
Interest on Investments	\$ 20	\$ --	\$ 20	\$ 27
Expenditures:				
Bank Service Charges	<u>--</u>	<u>349</u>	<u>349</u>	<u>361</u>
Excess of Expenditures over Revenue	20	(349)	(329)	(334)
Fund Balance, Beginning of Year	<u>7,105</u>	<u>(470)</u>	<u>6,635</u>	<u>6,969</u>
Fund Balance, End of Year	<u>\$ 7,125</u>	<u>\$ (819)</u>	<u>\$ 6,306</u>	<u>\$ 6,635</u>

The accompanying notes are an integral part of this statement.

**OTHER SUPPLEMENTARY  
INFORMATION**

Canton, Van Buren and Sumpter Water and Sewage Disposal Authority  
Schedule of Bonds Payable  
Sumpter Section  
December 31, 2004

**\$1,000,000 Water Supply Facilities Phase IV (Sumpter Section)**  
**Bonds, Dated December 8, 1978**

<u>Year Ended</u>	<u>Bond Numbers</u>	<u>Interest Rate Per Annum</u>	<u>Bonds Payable</u>	<u>Interest Payable</u>	<u>Total Bonds and Interest Payable</u>
2005	95-101	5.00%	\$ 35,000	\$ 25,625	\$ 60,625
2006	102-108	5.00%	35,000	23,875	58,875
2007	109-115	5.00%	35,000	22,125	57,125
2008	116-122	5.00%	35,000	20,375	55,375
2009	123-129	5.00%	35,000	18,625	53,625
2010	130-136	5.00%	35,000	16,875	51,875
2011	137-144	5.00%	40,000	15,000	55,000
2012	145-152	5.00%	40,000	13,000	53,000
2013	153-160	5.00%	40,000	11,000	51,000
2014	161-168	5.00%	40,000	9,000	49,000
2015	169-176	5.00%	40,000	7,000	47,000
2016	177-184	5.00%	40,000	5,000	45,000
2017	185-192	5.00%	40,000	3,000	43,000
2018	193-200	5.00%	40,000	1,000	41,000
			<u>\$ 530,000</u>	<u>\$ 191,500</u>	<u>\$ 721,500</u>

Note: Bond principal matures January 1, of each year indicated above. Interest is payable semi-annually on January 1 and July 1. Bonds maturing in the years 1991 to 2018, inclusive, will be subject to redemption prior to maturity in inverse numerical order, at the option of the Authority on any interest payment date on or after January 1, 1990 at par and accrued interest to the date fixed for redemption.

**POST, SMYTHE, LUTZ & ZIEL LLP**

*Certified Public Accountants*

**WAYNE**

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Susan H. Bertram, C.P.A.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

May 17, 2005

Canton, Van Buren and Sumpter  
Water and Sewage Disposal Authority  
23480 Sumpter Road  
Belleville, MI 48111

We have audited the general purpose financial statements of Canton, Van Buren and Sumpter Water and Sewage Disposal Authority, Michigan (the "Authority"), as of and for the year ended December 31, 2004, and have issued our report thereon dated May 17, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization and the Authority Board and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



**POST, SMYTHE, LUTZ & ZIEL LLP**  
Certified Public Accountants  
Wayne, Michigan